

Message Text

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PAGE 01 STATE 030902
ORIGIN OPIC-06

INFO OCT-01 NEA-10 ISO-00 EB-08 TRSE-00 AGRE-00 OMB-01
CIAE-00 INR-07 NSAE-00 AID-05 INRE-00 /038 R

DRAFTED BY OPIC/GC:REBROWN
APPROVED BY EB/IFD/OIA:RJSMITH
EB/IFD/OIA:DHSTEBBING
NEA/PAB:DBARCHARD (INFO)
TREASURY:RBANQUE (INFO)
-----102314Z 130999 /72-70
O 102239Z FEB 77
FM SECSTATE WASHDC
TO AMEMBASSY DACCA IMMEDIATE

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E.O. 11652: N/A

TAGS:EINV

SUBJECT:BELBAGCO

1. OPIC LEARNED TODAY, FEBRUARY 10, 1977, FROM THE
WASHINGTON ATTORNEYS OF BELBAGCO THAT:

(A) SINCE LAST SPRING THE BDG HAS THREATENED TO CLOSE
BFC.

(B) UPON CONTACTING REPRESENTATIVES OF THE BJMC, BEL-
BAGCO WAS TOLD THAT IT SHOULD NOT RELY UPON THE OUTPUT OF
BFC FOR ITS FUTURE NEEDS.

(C) CARROLL HART OF BELBAGCO RECENTLY VISITED BANGLA-
DESH TO CONCLUDE A SUPPLY CONTRACT WITH ANOTHER BDG CON-
TROLLED JUTE MILL (CHITTAGONG) AND TO TALK WITH THE CHAIR-
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PAGE 02 STATE 030902

MAN OF THE BJMC. BASED ON CONVERSATIONS WITH THIS SOURCE,
HART BELIEVES THAT A RECENT HIGH LEVEL MEETING RESULTED
IN A DECISION BY THE BDG TO LAY OFF ALL OF THE EMPLOYEES OF
BFC FOR 45 DAYS AND THAT ANOTHER SUCH MEETING, BELIEVED TO
BE SCHEDULED FOR FEBRUARY 17, 1977, MIGHT RESULT IN THE
PERMANENT CLOSING OF THE PLANT. APPARENTLY THESE ACTIONS
ARE A RESULT OF THE FAILURE OF BFC TO OPERATE PROFITABLY AND

THE INABILITY OF THE BDG

TO FURNISH THE PLANT WITH ADEQUATE MIDDLE-LEVEL MANAGEMENT. HART ALSO WAS LED TO BELIEVE THAT A SIMILAR DECISION WILL BE MADE IN CONNECTION WITH A LIMITED NUMBER OF OTHER "SPECIALITY" JUTE MILLS AND THAT THESE PLANTS, INCLUDING BFC, WOULD BE EITHER RETURNED TO THEIR FORMER OWNERS OR SOLD TO THE HIGHEST BIDDER.

(D) BELBAGCO DOES NOT BELIEVE THERE WILL BE ANY MARKET FOR THESE MILLS IF AUCTIONED OFF.

2. BELBAGCO'S ATTORNEY ALSO REPORTED TO OPIC THAT A MEETING THIS WEEK IN THE USA BETWEEN THE U.S. DEPT. OF AGRICULTURE AND REPRESENTATIVES OF THE BAGGING INDUSTRY, INCLUDING BELBAGCO, RESULTED IN A DECISION THAT WILL CREATE A CONTINUING NEED FOR JUTE FIBERS PRODUCED IN BANGLADESH BY COMPANIES SUCH AS BFC. BELBAGCO CONSIDERS THE PROPOSED CLOSING OF THE BFC AS DETRIMENTAL TO THE BDG FOR THIS REASON.

3. FUTHER DETAILS ON THE MEETING REFERRED TO IN PAR. 2 WILL BE COMMUNICATED AS RECEIVED FROM BELBAGCO.
VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: JUTE, INDUSTRIAL PLANTS, CLOSURE OF OFFICES
Control Number: n/a
Copy: SINGLE
Sent Date: 10-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Secure: OPEN
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TAGS: EINV, BG, BELBAGCO INC
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